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FORM 10 - Q

SECURITIES AND EXCHANGE COMMISSION
Washington D.C 20549

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X Quarterly report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934 for the
quarterly period ended June 30, 1992 or

__ Transition report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934 for the
transition period from _____ to _____.

Commission File Number: 0-16112

CORPORATE SOFTWARE INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	04-2776573
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

275 Dan Road, Canton, Massachusetts 02021
(Address of principal executive offices)

Registrant's telephone number, including area code: (617) 821-4500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

As of July 31, 1992 there were 5,936,799 shares of Common Stock outstanding.

CORPORATE SOFTWARE INCORPORATED

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CORPORATE SOFTWARE INCORPORATED
CONSOLIDATED BALANCE SHEETS
(In thousands)

ASSETS

	UNAUDITED June 30, 1992	December 31, 1991
CURRENT ASSETS		
Cash and cash equivalents	$ 11,057	$ 10,273
Short-term investments	-	885
Accounts Receivable, less allowance of $2,532 in 1992 and $2,493 in 1991	46,416	42,321
Inventory	24,047	24,758
Prepaid expenses	2,848	3,086
Other assets	3,372	2,958
Total current assets	87,740	84,281
FURNITURE AND EQUIPMENT, NET	9,505	9,036
OTHER ASSETS		
Excess of purchase price over net assets of business acquired	278	309
Other assets	263	208
Total other assets	541	517
	$ 97,786	$ 93,834

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Notes payable to bank	$ 965	$ 7,912
Accounts payable	31,779	33,281
Accrued expenses	5,109	5,428
Accrued income taxes	1,825	1,859
Current portion of capital lease obligations	1,477	1,624
Total current liabilities	41,155	50,104
NON-CURRENT PORTION OF CAPITAL LEASE OBLIGATIONS	2,589	3,024
STOCKHOLDERS' EQUITY		
Convertible Preferred Stock, par value $.01 per share, authorized 5,000,000 shares, none issued and outstanding	-	-
Common Stock, par value $.01 per share, authorized 15,000,000 shares, issued and outstanding 5,931,799 in 1992 and 5,110,465 in 1991	59	51
Additional paid-in capital	34,272	24,086
Retained earnings	18,990	16,376
Cumulative translation adjustment	721	193
Total stockholders' equity	54,042	40,706
	$ 97,786	$ 93,834

See Notes To Consolidated Financial Statements

CORPORATE SOFTWARE INCORPORATED
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
UNAUDITED

	Three Months Ended June 30, 1992	Three Months Ended June 30, 1991
Net sales	$ 71,669	$ 52,290
Cost of sales	58,371	39,809
GROSS PROFIT	13,298	12,481
Selling expenses	4,772	4,354
General and administrative expenses	6,744	6,047
Total operating expenses	11,516	10,401
INCOME FROM OPERATIONS	1,782	2,080
Interest expense, net	130	141
Other (income) expense	(5)	2
	125	143
Income before income taxes	1,657	1,937
Provision for income taxes	611	738
NET INCOME	$ 1,046	$ 1,199
Net income per share	$.18	$.23
Average shares outstanding	5,803	5,260

	Six Months Ended June 30, 1992	Six Months Ended June 30, 1991
Net sales	$135,610	$108,008
Cost of sales	108,901	82,581
GROSS PROFIT	26,709	25,427
Selling expenses	8,920	8,980
General and administrative expenses	13,271	12,361
Total operating expenses	22,191	21,341
INCOME FROM OPERATIONS	4,518	4,086
Interest expense, net	352	286
Other income	(13)	(18)
	339	268
Income before income taxes	4,179	3,818
Provision for income taxes	1,565	1,458
NET INCOME	$ 2,614	$ 2,360
Net income per share	$.46	$.45
Average shares outstanding	5,645	5,191

See Notes to Consolidated Financial Statements.

CORPORATE SOFTWARE INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

UNAUDITED

	Six Months Ended June 30,	
	1992	1991
OPERATING ACTIVITIES:		
Net income	$ 2,614	$2,360
Adjustments to reconcile income to net cash (used in) provided by operating activities:		
Depreciation	1,302	1,037
Amortization	31	31
Provision for losses on accounts receivable	209	531
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(3,737)	554
Decrease (increase) in inventory	832	(2,453)
Increase in prepaid expenses and other assets	(167)	(173)
Decrease in accounts payable and accrued expenses	(2,097)	(2,106)
(Decrease) increase in accrued income taxes	(66)	517
(Decrease) increase other	(55)	414
Net cash (used in) provided by operating activities	(1,134)	712
FINANCING ACTIVITIES:		
Common Stock issued	9,681	
Stock options exercised	512	257
(Decrease) increase in note payable to bank	(6,828)	1,163
Repayment on capital lease obligations	(761)	(955)
Net cash provided by financing activities	2,604	465
INVESTING ACTIVITIES:		
Additions to furniture and equipment	(1,546)	(625)
Sale of short-term investments	885	960
Net cash (used in) provided by investing activities	(661)	335
Effect of exchange rate changes on cash and cash equivalents	(25)	(352)
Increase in cash and cash equivalents	784	1,160
Cash and cash equivalents at beginning of year	10,273	7,644
Cash and cash equivalents at end of period	$11,057	$8,804

See Notes to Consolidated Financial Statements.

CORPORATE SOFTWARE INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A - The unaudited financial information furnished herein reflects all adjustments, which in the opinion of management are of a normal recurring nature, to fairly state the Company's financial position, cash flows and the results of its operations for the periods presented. This information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 1991, included in the 1991 Annual Report to Stockholders.

Note B - The results of operations for the three and six month periods ended June 30, 1992 are not necessarily indicative of the results to be expected for the entire year ending December 31, 1992.

Note C - Net income per share is based upon the weighted average number of common shares and common share equivalents outstanding during the period.

Note D - The difference between the actual tax provision and the amount obtained by applying the U.S. federal statutory rate to income before tax is as follows:

	Three Months Ended June 30,	
	1992	1991
Federal income tax at statutory rate	$563,000	$659,000
State income tax, net of federal benefit	52,000	101,000
Foreign income tax and other	(4,000)	(22,000)
	$611,000	$738,000
Effective rate	36.9%	38.1%

	Six Months Ended June 30,	
	1992	1991
Federal income tax at statutory rate	$1,421,000	$1,297,000
State income tax, net of federal benefit	141,000	167,000
Foreign income tax and other	3,000	(6,000)
	$1,565,000	$1,458,000
Effective rate	37.4%	38.2%

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Net sales. In relation to comparable periods of the prior year, net sales increased by 37% for the second quarter of 1992 and by 26% for the first six months of 1992. European net sales for the second quarter and the first six months of 1992 increased by 41% and 23%, respectively, when compared to the same prior year periods. North American net sales for the second quarter and the first six months of 1992 increased by 35% and 27%, respectively, when compared to the same prior year periods. In relation to comparable periods of the prior year, European net sales, as a percentage of consolidated net sales, remained relatively constant at 39% and 38% respectively for the second quarter of 1992 and 1991 and 41% and 42% for the first six months of 1992 and 1991.

Gross profit. In relation to the comparable period of the prior year, gross profit, as a percentage of net sales, decreased to 18.6% from 23.9% during the second quarter of 1992. For the first six months of 1992, gross profit, as a percentage of net sales, decreased to 19.7% from 23.5% as compared to the comparable prior year period. The reduction in gross margin is attributable to competitive pressures in North America and Europe and to the Company's aggressive pricing as a method of expanding revenues and market share.

Selling expenses. Selling expenses include the cost of maintaining and operating the sales organization and field offices as well as the cost of producing and mailing the Company's publications. In relation to the comparable period of the prior year, selling expenses, as a percentage of net sales, decreased to 6.7% from 8.3% during the second quarter of 1992. Selling expenses, as a percentage of net sales, decreased in both the Company's North American and European operations. Total selling expenses for the second quarter of 1992 increased by 9.6% from the second quarter of 1991. For the first six months of 1992, selling expenses, as a percentage of net sales, decreased to 6.6% from 8.3% as compared to the first six months of 1991. Total selling expenses for the first six months of 1992 decreased approximately $60,000 (less than 1%) as compared to the comparable prior year period. The decrease in selling expenses, as a percentage of net sales, is attributable to increased sales force productivity and stringent cost controls.

General and administrative expenses. General and administrative expenses include the expenses associated with the services the Company provides to customers as well as distribution and administrative costs. In relation to the comparable period of the prior year, general and administrative expenses, as a percentage of net sales, decreased to 9.4% from 11.6% during the second quarter of 1992. General and administrative expenses, as a percentage of net sales, decreased in both the Company's North American and European operations. Total general and administrative expenses for the second quarter of 1992 increased by 11.5% from the second quarter of 1991. For the first six months of 1992, general and administrative expenses, as a percentage of net sales, decreased to 9.8% from 11.4% as compared to the first six months of 1991. Total general and administrative expenses for the first six months of 1992 increased 7.4% as compared to the comparable prior year period. The decrease in general and administrative expenses, as a percentage of net sales, is attributable to the Company's focus on cost control.

Interest expense, net. The Company has chosen to fund its North American and European operations by utilizing a portion of the Company's $15,000,000 line of credit agreement, capital lease financing, excess operating cash and other financing alternatives. In relation to the comparable period of the prior year, interest expense, net decreased $10,000 during the second quarter of 1992. The reduction in interest expense, net is primarily attributable to the Company receiving gross proceeds of $9,922,500 ,during the quarter, from a public offering of 750,000 shares of Common Stock. For the first six months of 1992 interest expense, net increased $67,000 from the first six months of 1991 primarily attributable to increased borrowings ,during the first quarter of 1992, to satisfy short-term working capital requirements.

Liquidity and Capital Resources

Working capital at June 30, 1992 was $46,585,000 as compared to $34,177,000 at December 31, 1991. The Company anticipates that its cash requirements for the foreseeable future will be satisfied by cash flow from operations, existing cash and short-term borrowings. At June 30, 1992 the Company had available for future borrowing $14,035,000 under a $15,000,000 unsecured line of credit agreement.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Special Meeting in Lieu of Annual Meeting of Stockholders of the Company was held on May 11, 1992.

(b)(1) The following individuals were re-elected to the Board of Directors for three year terms expiring with the Company's Annual Meeting in 1995:

Morton H. Rosenthal
Charles M. Leighton

(b)(2) The following individuals' terms continued after the Special Meeting in Lieu of the Annual Meeting. Their terms will expire with the Company's Annual Meeting in 1994:

Donald F. Boudreau
Richard A. D'Amore

(b)(3) The following individual's term continued after the Special Meeting in Lieu of the Annual Meeting. His term will expire with the Company's Annual Meeting in 1993:

Dennis V. Vohs
Stephen D.R. Moore

(c)(1) The stockholders approved a proposal to amend the Corporation's 1987 Stock Option Plan by increasing the number of shares of Common Stock which may be issued pursuant to said plan from 950,000 to 1,350,000 shares. The number of votes cast for and against this proposal was as follows:

	No. of Shares
For	2,862,120
Against	1,452,820
Abstained	19,460

(c)(2) The stockholders approved a proposal to adopt the 1992 Employee Stock Purchase Plan. The number of votes cast for and against this proposal was as follows:

	No. of Shares
For	3,866,735
Against	476,940
Abstained	20,775

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: Exhibit No. 11 - Computation of Earnings Per Share.

(b) There were no reports on Form 8-K filed during the three month period ended June 30, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on August 10, 1992.

CORPORATE SOFTWARE INCORPORATED

/s/Morton H. Rosenthal
Morton H. Rosenthal, Chief Executive
Officer (Principal Executive Officer)

/s/Douglass Greenlaw
Douglass Greenlaw, Chief Financial Officer
(Principal Accounting Officer)

Exhibit 11

CORPORATE SOFTWARE INCORPORATED
COMPUTATION OF EARNINGS PER SHARE

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1992	1991	1992	1991
Primary:				
Weighted average shares outstanding	5,554	5,069	5,349	5,061
Net effect of dilutive stock options - based on the treasury stock method using the average stock price	249	191	296	134
Total	5,803	5,260	5,645	5,195
Net income	$1,046	$1,199	$2,614	$2,360
Per share amount	$0.18	$0.23	$ 0.46	$ 0.45
Fully Diluted:				
Weighted average shares outstanding	5,554	5,069	5,349	5,061
Net effect of dilutive stock options - based on the treasury stock method using the period-end market price if higher	249	191	296	191
Total	5,803	5,260	5,645	5,252
Net income	$1,046	$1,199	$2,614	$2,360
Per share amount	$0.18	$0.23	$ 0.46	$ 0.45